

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

Legend:

Underline: *Proposed Emergency Additions*
~~Strikeout:~~ *Proposed Emergency Deletions*

SUBCHAPTER 6. RECYCLING CENTERS

Article 2. Handling Fees

§2516 ELIGIBILITY CRITERIA.

(a) In addition to meeting the requirements of Section 14585 of the Act, a recycling center shall meet the following criteria for handling fees eligibility on the first day of the calendar month for which they are claimed. A recycling center must be:

(1) certified, operational, and accepting and paying refund value to consumers for all empty beverage container material types; and

(2) located within a convenience zone which has not been exempted pursuant to Section 14571.8 of the Act; and

(3) a "supermarket-site" recycling center as defined in Section 14526.6 of the Act, ~~and or~~ a nonprofit convenience zone recycler as defined in Section 14514.7 of the Act, or a rural region recycler as defined in Section 14525.5.1 of the Act; and

(4) the only certified, non-grandfathered recycling center in the convenience zone.

(b) The Division shall inspect each ~~potential~~ supermarket site, nonprofit convenience zone recycler, or rural region recycler to determine whether such sites ~~satisfies~~ satisfy the requirements of this section.

(c) Commencing January 1, 1993, a recycling center, which locates within a convenience zone, thereby causing a preexisting recycling center to become ineligible to receive handling fees, shall never be eligible to receive handling fees in that convenience zone. Such ineligibility shall apply to the parent company, its subsidiaries and affiliates even if the preexisting recycling center ceases to operate within the convenience zone. Such ineligibility shall also apply to the parent, the subsidiaries and the affiliates of any grandfathered recycling center which elects to begin accepting all material types.

(d) A rural region recycler may combine total monthly beverage container purchases from two or more of its convenience zone sites to establish eligibility for a single handling fee payment by submitting the following information monthly in writing:

(1) The certification numbers and addresses of the locations where receipts are to be combined;

(2) The month and year of the transactions to be combined;

(3) The company name, address, contact person and business phone number, signed and dated by the contact person.

(e) The additional information required in subsection (d) shall be postmarked no later than the fifth day of the first month following the reporting month. A rural region recycler that fails to provide this information by the date specified in this subsection shall not be eligible for a single

handling fee payment based on combined monthly beverage container purchases from two or more of its convenience zone sites.

(f) A rural region recycler shall submit a separate Handling Fee Application Form (Form DR-14 (1/00)) for each convenience zone site which is combined with one or more convenience zone sites to establish eligibility for a single handling fee payment.

Authority: Section 14530.5 and 14536, Public Resources Code. Reference: 14513.4, 14514.7, 14525.5.1 14526.6, 14552, 14571.8(b), 14572 and 14585~~(a) and (e)~~, Public Resources Code.

§2517 TERMINATION OF ELIGIBILITY.

(a) A recycling center's eligibility for handling fees shall terminate if that supermarket-site recycling center, nonprofit convenience zone recycler, or rural region recycler, fails to meet the criteria established in Section 2516 of this subchapter or any other criteria established in Section 14585 of the Act or if, commencing January 1, 1993:

(1) Another recycling center certifies and begins operation, or a grandfathered recycling center amends their certification application to begin accepting all beverage container types, within the convenience zone in which a recycling center is eligible to receive handling fees. Eligibility will terminate sixty (60) days from the effective date of the second recycling center's certification and operational date; or,

(2) The convenience zone served by a recycling center is deleted due to the closure of a supermarket, or exempted by the Department pursuant to Section 14571.8 of the Act, or the dealer where the supermarket site is located closes. Eligibility will terminate at the end of the month in which the supermarket or dealer closes or a convenience zone exemption is granted.

Authority: Section 14530.5 and 14536, Public Resources Code. Reference: 14513.4, 14525.5.1, 14526.6, 14552, 14571.8(b) 14572 and 14585~~(a) and (e)~~, Public Resources Code.

§2518 CALCULATIONS AND PAYMENTS.

(a) The Division shall determine handling fee payments for a recycling center meeting the requirements of Section 14585 of the Act and Section 2516, above, based on data contained in the Handling Fee Application Form (Form DR-14 ~~(11/95)~~ (1/00)) by performing the following calculations:

(1) The reported redemption weights shall be converted to number of empty beverage containers using the Division's statewide average containers-per-pound rate for each material type, and pursuant to Subsection 14585(a)(3) of the Act.

(2) The total number of empty beverage containers for the calendar month shall be calculated by summing the number of empty aluminum, glass, plastic and bimetal beverage containers. If the total number of empty beverage containers is less than the minimum or greater than the maximum number required by Section 14585(a)(2) of the Act, the recycling center is not eligible for handling fees for that calendar month.

(3) The Division shall determine the number of empty beverage containers eligible for handling fees pursuant to Subsection 14585(a)(4) of the Act.

(4) The monthly handling fee for each recycling center shall be the lesser of the following:

(A) Two thousand three hundred dollars ~~(\$2,000)~~ (\$2,300); or

(B) The total number of containers eligible for handling fees as derived in paragraph (3) above, multiplied by one and ~~seven~~ eight-tenths of one cent (~~\$0.017~~) (\$0.018).

(b) Prior to release of handling fees for each month during which a recycling center is eligible, the Division may determine that such fees should be withheld for any of the following reasons:

(1) The Division has prevailed against the recycler in a civil or administrative action and money is owed to the Division as a result of the action.

(2) The Division determines, based on information contained in the shipping reports filed pursuant to Section 2530 of Article 3 of Subchapter 6, that the recycler has received handling fees for materials which were not redeemed for refund value and such discrepancies between reported redemption weights and shipping weights are more than two and one-half percent.

Authority: Section 14530.5, 14536(~~b~~) and 14552(e). Public Resources Code. Reference: Section 14504, 14526.6 and 14585, Public Resources Code.

§2519 HANDLING FEE APPEALS.

(a) Recycling centers may file a formal appeal by writing to the Division within thirty (30) calendar days of the warrant date of the payment or the date of the Notice of Denial (NOD). Appeals submitted after this time period will be rejected. All written appeals must include:

- (1) A list of applicable certification numbers and corresponding facility addresses; and,
- (2) the month(s) and year(s) in question; and,
- (3) the canceled, original Form(s) DR-14 (~~s~~) (~~11/95~~) (1/00) and NOD(s), if this is an appeal of a denial; and,
- (4) a copy of the remittance advice, if this is an appeal of a payment determination; and,
- (5) a short explanation of why you believe the determination was in error; and,
- (6) any other documentation that supports your appeal.

(b) A decision on the appeal will be sent, in writing, within fifteen (15) working days of receipt of the appeal.

Authority: Section 14530.5 and 14536(~~b~~), Public Resources Code. Reference: Section 14526.6, 14585, Public Resources Code.

Article 3. Accounting and Reporting Requirements

§2530 REPORTING.

Recycling centers shall prepare and submit all of the following reports in accordance with the general requirements for reporting of section 2090 of these regulations.

(a) A shipping report for each delivery (of material subject to the Act) between:

- (1) the recycling center and any other recycling center; or
- (2) the recycling center and the processor; or
- (3) the recycling center and a dropoff or collection program, community service program or curbside program, as provided in subdivision (f), below.

(b) The shipping recycling center shall indicate on the shipping report all information listed under subsection 2530(e)(1) through (6), provide the shipping report containing this information to the person receiving the shipment and shall retain a completed copy; the

shipping report shall accompany the material shipped, except as noted in (1) below. For shipments to processors, the recycling center shall receive a copy of the completed shipping report from the processor upon payment, pursuant to section 2430(a)(1) of these regulations.

(1) In the case of glass, recyclers may add up the daily summaries until total weight is equal to received weight and claim the corresponding redemption weight and refund value. In such cases, a shipping report need not accompany the load.

(c) The shipping report shall be based upon any receipts or log entries prepared pursuant to section 2525 above, or any shipping reports for material received by recycling centers from other recycling centers.

(d) Copies of any shipping reports for material received by a recycling center from other recycling centers, dropoff or collection programs, community service programs or curbside programs, shall be appended to the shipping report prepared pursuant to this section.

(e) Except as provided for in subsection (f) below, a separate shipping report shall be prepared for each material type and shall include all of the following information:

(1) The name, address, and certification number of the recycling center shipping the material as well as the name and telephone number of a contact person; and

(2) The name and certification number of the recycling center or processor receiving the material; and

(3) The period and the material type covered by the report; and

(4) The following information based upon the information contained in the receipts and logs and the received shipping reports:

(A) The redemption weight of the material.

(B) The total refund value.

(C) For shipments to a processor, any applicable processing payment.

(D) The subtotals of subsections (4)(A), (4)(B), and (4)(C), above.

(5) The number of attached shipping reports which pertain to material included in the shipment.

(6) The signature of an authorized representative of the recycling center and the date signed.

(f) For material received by the recycling center from a dropoff or collection program, community service program or curbside program, the recycling center shall prepare a separate shipping report for each material type and provide a copy of the completed shipping report to the shipping dropoff or collection program, community service program or curbside program. Shipping reports prepared pursuant to this subsection shall contain all of the following information:

(1) The name, address, certification or identification number for the entity shipping the material, as well as the name and telephone number of a contact person; and

(2) The name and certification number of the recycling center receiving the material; and

(3) The date the material was received and the material type covered by the report; and

(4) The received weight, excluding rejected containers, line breakage, and out-of-state containers; and

(5) The total refund value paid; and

(6) The signature of the shipper or an authorized representative of the shipper and the date signed; and

(7) The signature of an authorized representative of the recycling center and the date signed; and

- (8) The weight ticket number; and
 - (9) The basis for payment; and
 - (10) The shrinkage adjustment, if any.
- (g) For material received by a recycling center from another recycling center, the receiving recycling center shall ensure that all the information specified in subsection 2530(f)(1) through (8) is recorded on the report and provide a copy of the completed shipping report to the shipping recycling center.
- (h) To obtain handling fees, only those recycling centers eligible for such fees, as described in section 2516 shall submit a Handling Fee Application Form (Form DR-14 ~~11/95~~ 1/00) to the Division for the calendar month for which handling fees are being claimed. The Form DR-14 ~~(11/95)~~ (1/00) shall be postmarked no later than the first day of the second month following the reporting month. Forms postmarked after this date, and incorrectly completed forms, will be denied for payment and the handling fee will be forfeited for that calendar month. Forfeiture for that calendar month will not affect eligibility for subsequent months. There shall be a separate Form DR-14 ~~(11/95)~~ (1/00) completed for each supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler which shall include all of the following information in addition to that required by section 2090 of these regulations:
- (1) The calendar month and year covered by the report; and
 - (2) The name, and mailing address of the recycling center; and
 - (3) The name and telephone number of a contact person; and
 - (4) The certification number of the supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler; and,
 - ~~(5) The supermarket or dealer name where the supermarket site recycling center is located, and~~
 - ~~(6) (5)~~ A change of mailing address, ownership or a closing of the supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler if applicable; and
 - ~~(7) (6)~~ The weight, to the nearest tenth of a pound, of empty beverage containers, by material type, redeemed by that recycling center, at that supermarket site, nonprofit convenience zone recycler, or rural region recycler, only from consumers delivering that material during the hours the recycling center was open for business. This weight shall be taken from the receipts and logs of that recycling center for that calendar month; and,
 - ~~(8) (7)~~ The signature and title of an authorized representative of the recycling center in accordance with subsections 2090(d)(4) and (5) of subchapter 2 of these regulations; and
 - ~~(9) (8)~~ The date the application was signed.
- (i) Each recycling center shall maintain a separate list of all purchases of more than 250 pounds of aluminum beverage containers. Such list (or legible copies of the receipts) shall be sent to the Division weekly and shall contain all of the following information, taken from the receipt prepared pursuant to section 2525(a) of these regulations:
- (1) The receipt number for the transaction; and
 - (2) The name of the person selling the material; and
 - (3) The additional identifying information of the person selling the material; and
 - (4) The name, address, and certification number of the recycling center submitting the list; and
 - (5) The transaction date; and
 - (6) The pounds purchased on the receipt; and

(7) The total amount paid.

(j) Recycling centers purchasing materials directly from more than one curbside program, dropoff or collection program, or community service program may apply to the Division to request the use of alternative methods for preparing the corresponding shipping reports. The Division shall consider each proposed alternative method and issue a written approval or denial within forty-five (45) calendar days.

(1) In order for alternative methods to be accepted, they must be based on reasonable allocation methods.

(2) An application for an alternative allocation method shall be denied if:

(A) The received weight of the material purchased by an entity from the recycling center is not used to calculate allocations to the curbside programs, dropoff or collection programs, or community service programs; or

(B) The recycling center does not ensure that the weight of rejected containers, line breakage, and out-of-state containers is not included in the allocated weight (this does not require a physical separation); or

(C) The recycling center does not account for each incoming load of material; or

(D) The recycling center does not inspect incoming material to verify that it is eligible for refund value payments, as specified in section 2501.

(3) Recycling centers may file a formal appeal by writing the Assistant Director for Recycling within thirty (30) calendar days after the receipt of a notice denying an application requesting an alternative method for shipping report preparation. Appeals submitted after this time period shall be rejected. All written appeals shall include:

(A) A copy of the notice denying the allocation method;

(B) A detailed explanation of why the determination was in error; and,

(C) Any other documentation that supports the appeal.

(4) A written decision on the appeal shall be sent to the recycling center within seven (7) calendar days of the receipt of the appeal.

Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14526.6, 14538, 14571.9 and 14585, Public Resources Code.